UNITED STATES DEPARTMENT OF AGRICULTURE
Extension Service
Office of Cooperative Extension Work

THE AGRICULTURAL SITUATION

By
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Informal talk as given to farmers at general agricultural situation meetings.

You have all heard a great deal about the agricultural situation during the last few years, and I suppose every one of you has had some good way of solving all of the farmers' problems. During the year 1930 the gross cash income of farmers in the United States was about two and one-half billion dollars less than for the previous year, and from all indications it will be still less for the year 1931. Now possibly you can realize how much two and one-half billion dollars is, but it is rather hard for me to do so. I can think of it better this way. If the amount of decrease in cash taken in by farmers last year were distributed equally over all of the six million farms in this country, it would mean just about \$400 less for each farmer. When we cut off about \$400 from the amount of money taken in per farm, it has a very serious influence, especially if there is no corresponding decrease in expense.

Farm incomes reduced

We are not going to make any attempt to solve all of our problems here tonight, and what we do is not going to cause the price of wheat or the price of hogs to advance tomorrow. We are just going to try to study the present situation a little more closely and attempt, if possible, to have a better understanding of some of the reasons back of it. Many of the arguments which we have and many of the mistakes we make are due to the fact that we do not fully understand the situation. I believe a better knowledge of the present situation and the factors influencing it will help us all to meet the present conditions in a more logical way out on our own farms.

I am not going to spend this hour talking about how bad off we, as farmers, are. You all know that conditions are bad, and I know it too, as I have a farm of my own. However, I think we possibly talk too much about our condition and do not give enough thought to analyzing it. We often like to hear how bad off we are, but I believe that just statements which emphasize how bad the situation is without giving any explanation or any help toward meeting the situation are really worse than none. I believe there has been too much talk already about our troubles and for that reason I am not going to emphasize them.

Are present conditions entirely new?

Now, what is the present agricultural situation? The tendency with most of us is to feel that conditions which exist today are something entirely new and that nothing like them has ever existed before in the history of our country. If any of you could remember back for the last 150 years, you would realize that many of the conditions which exist today have happened several times before.

Prices from old farm record

I'll not accuse any of you of being able to remember back 150 years, but when we think back, over a shorter period, we realize that there have been some extreme changes in prices even before the ones which are taking place to-day. I have here some figures which I copied from an old farm record in the northern part of Ohio. Records have been kept on this farm by members of the same family since just after the Civil War, and it is interesting to look back into some of those old books and see what prices were received and paid for commodities years ago. I am going to read a few of these figures to you and then ask you a question. I am going to ask you from what year you think these figures were taken. For one of the years since the Civil War period I found the following figures: Sold 87 bushels of wheat at 37 cents per bushel, 8 hogs sold at 3½ cents per pound, eggs at 8 cents per dozen; one pair of overalls bought for 45 cents; paid for one day's work, 35 cents; potatoes sold at 20 cents per bushel. Now, in what year was that?

(In every case people will guess years along during the nineties. Once in a while one will guess during the seventies, but the majority will always guess sometime between 1890 and 1900.)

It happens that the year I took was 1896, but we could have taken almost any of those years between 1893 and 1897 and found the same thing. How low did some prices get here in your neighborhood at that time? Records on this same farm, with the same man farming it some years later, show that he sold 164 bushels of wheat at $3 per bushel. In that same year he sold 22 hogs for 18½ cents per pound, and he paid his hired help $3 per day. Now what year was this?

(Answers always include the war years between 1917 and 1920.)

These figures were taken from the year 1919, but about the same thing might have been true during parts of the years 1918 and 1920.

During the period from 1896 to 1919 we had some extreme changes in prices. This was a period of only 23 years, yet the price of wheat changed from 37 cents to $3 per bushel, of hogs from 3½ cents to 18½ cents per pound, and the price went still higher than this. It happens that this farmer sold his hogs at 18½ cents per pound; they went above $20 - up to $22 in Chicago at one time - but he did not happen to sell on the high market. Back in the nineties not only wheat and hogs, but overalls and other things were low in price, and during the period around 1919 everything was high in price. I believe we will all agree that prices do change a lot in a few years' time.

What is meant by the general price level?

We often see statements about the general price level being high or low, or the general level of prices going up or going down. This is about what such statements mean. If you should go down the street to-morrow, taking a pencil and a piece of paper, and write down the price of almost everything which you could think of - if you should write down the price of a loaf of bread, a pound of coffee, a dozen eggs, a certain kind of shoes, of cloth, a certain kind of automobile, of lumber, and of everything you could think of, and then, if a month from tomorrow you went down the street and again marked down the price of all those things, you

would know whether the price was going up or down; wouldn't you? That is what the Bureau of Labor and certain other agencies do at certain times for about 500 different commodities which are used in the United States. They don't just add together the price of one loaf of bread, one automobile, and one bushel of wheat, but they weight all these things in proportion as the amount of each enters into trade. For example, they might give a heavier weighting to wheat than they give to, say, hairpins, especially during the last few years when women have not been using many hairpins. By combining all of these different things in this certain proportion, they arrive at the general price level to determine whether prices in general are going up or down.

I have a chart here (Fig. 1) which shows the general level of wholesale prices of all commodities in the United States for the last 130 years.

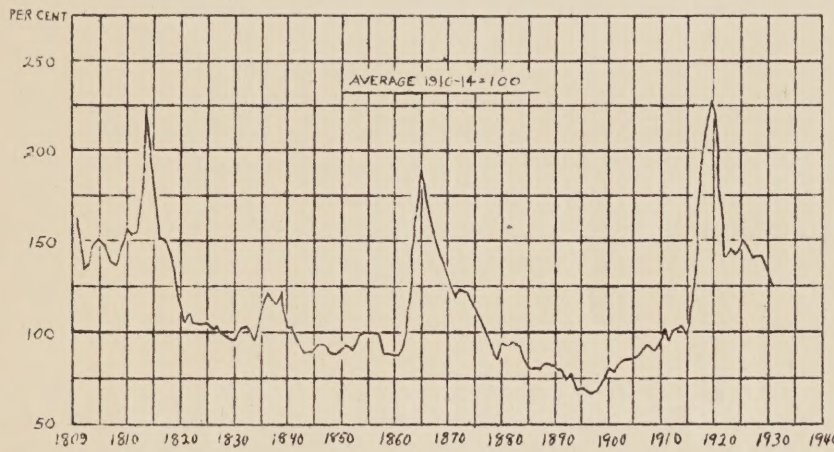

Figure 1.- Index numbers of wholesale price of all commodities in the United States; 1910-1914 = 100

In considering the changes which have taken place in this general price level, it is necessary to have some place to start as a basis. We usually talk about the period just before the World War, or back around 1913, as being "normal". Now, if we consider the average of this period from 1910 to 1914 as being normal, or 100 if we want to call it that, and go back about 100 years, we find that the general level of prices in this country was extremely high. About the year 1814 we see that the average price of everything combined was about $2\frac{1}{4}$ times as high as it was just before the World War. (Show on chart). In other words, things which cost on an average of $1 back in 1913 would have cost about $2.25 just about 100 years earlier. After 1814 you will notice that prices dropped very rapidly. They came down about half way to this 100 per cent line, and then recovered a little for a year or two before coming on down. Then during the period from 1820 to about 1860 prices in general stayed near the same line that they were near in 1913. In certain years prices were high and in other years they were low, possibly because of years of heavy production or light production or probably because business conditions influenced them to some extent. Then about 1861 something happened again. You will notice prices went up very rapidly from 1861 to 1865, when they nearly reached the 200 mark. In other words, things that sold for $1 here (on chart) in 1913 cost about $2 back in 1865. I remember hearing an old lady tell about calico

selling at 75 cents per yard back at that time. Now if you will follow this line a little farther, you will see that after 1865 prices again dropped quite rapidly. They came down about halfway, then recovered for a few years before continuing the extreme decline which ended in this period here in the nineties that we were talking about a while ago. At that time, as we have already said, the price of almost everything was low. A dollar would buy a great deal at that time, but it took a lot of produce to bring a dollar. Then, after about 1897, prices gradually started upward. You will recall that even before the war started prices were going up and that you could hardly hire labor for your farms for $1 a day. Prices gradually improved to this place we call normal and then, about 1915, away they went again. Prices rose very rapidly from 1915 to 1920, and you all remember what happened during that time. We learned to buy things before the price went up and we soon got the habit of spending. In the fall of 1920 prices started to decline and dropped down about half way to this 100 line, then recovered slightly, and we stayed on that shelf for about eight years. The average index of wholesale prices in 1929 was 141, and in 1930 it was 126, as shown on the chart. Now that is the average for last year. Where would the line be if we brought it up to date? Yes, it would be considerably lower, and if we had the line brought up on a monthly basis, to September of this year, we would find that it would be at 101. (Show on chart.) This is just 1 per cent higher than before the war.

I believe you will see some of the reasons why I made the statement that if any of you could remember all the things that have happened during the last 150 years, you would realize that our conditions at the present time are not so entirely new as some of us believe. We have had three periods of extremely high prices. What caused these three periods? We can, of course, credit them to the wars - the Napoleonic Wars in Europe, the Civil War, and the World War.

People are often criticized for talking too much about what has happened in the past, but I believe one of the best indications of what is ahead of us is to know something about what happened in the past under somewhat similar circumstances. During the three periods when prices have gone extremely high, I suppose people have said each time, "Conditions are altogether different now. Prices will never come down again." I wonder how many of you folks have said during the last 15 years, that wheat would never sell below $1 per bushel again. I imagine a good many of us have, if we would admit it. We probably have felt the same way about land and a good many other things.

We have just been talking about the general price level of all commodities combined. Now I wonder if the prices of everything go up together and come down together? We know that they do not. If the prices of everything went up at the same time and came down at the same time, would it make any difference to us whether prices were high or low? It would not make very much difference except to the man who happened to be in debt. The person who is in debt when prices are coming down is naturally handicapped. I am reminded of a story that I believe will illustrate this point. During a period of declining prices a man wanted to sell a farm to another individual. The prospective buyer did not have

any money, but was told that he could buy the farm for $2,500 and work it out at $2.50 per day. This was about a normal wage and it would take just 1,000 days to pay for the farm. The man decided to buy the farm on that basis, and after working about two years he had paid off $1,000. This left $1,500 still to be paid on the farm. At that time prices were coming down quite rapidly. Then the man who had sold the farm came to the buyer and said, "I can't afford to pay you $2.50 per day for your work. Prices and wages are coming down. I'll have to cut you to $1.50 per day, because that is about what wages are at the present time. You still have $1,500 to pay on the farm. At $1.50 a day it will take you just 1,000 days to pay for it." The man went to work and after two or three years he had paid off $500 more. Then the seller came to him again and said, "You know, I can't afford to pay you $1.50 per day, as prices are coming down. Nobody else gets that wage. I'll have to cut you to $1 a day. You still owe $1,000 and you can still pay for the farm in just 1,000 days." I believe this illustrates what happens to a person who is in debt during a period of declining prices. It takes just about twice as many days' work or twice as much wheat to pay a certain debt as it would have taken a few years before.

Falling prices and the man in debt.

Have you ever heard some older folks advising young people to keep out of debt? I have. I remember hearing my parents say that certain individuals would have been all right if they just had not gotten into debt, but when once a person got into debt, it was just too bad. The reason our parents talked that way was because they lived during a period of generally falling prices, and debt payments were extremely hard to make. Most of us have lived during the period from the nineties, when prices generally have been going up. As a result not much has been heard about keeping out of debt, but, on the other hand we have been advised to borrow money.

Anyone who borrowed money and invested it during the period of rising prices usually was well paid, because almost anything we bought during that period was worth more the next year. Since prices have again been declining, we have been talking about the seriousness of being in debt and the difficulty of meeting debt payments.

I believe we can generally agree that with the exception of the man who is in debt, it would make very little difference whether prices were high or whether they were low, provided everything went up and came down together. I wonder though, if prices of all different things do rise and fall at the same time. It is quite evident that the prices of certain things change more quickly than others. There is a certain group of commodities, the prices of which usually advance rather rapidly when prices are going up, and fall rather quickly when prices are declining. I wonder what these commodities are? Yes, farm products, or, we might say, almost any kind of raw product. There is another large item of cost in the production of any commodity which usually advances rather slowly when prices are going up, and also comes down rather slowly when prices are dropping. I wonder what that is? Wages.

Do all prices rise and fall together?

I have another chart which shows prices since the year 1910 (Fig.2). Just during the period which we can remember. This chart shows the relation between the prices of farm products and the prices which farmers pay for commodities which they buy. One of the big troubles with the agricultural situation to-day is the fact that the prices of things we have to buy are high in proportion to the things we sell. As we have said before, if these prices all changed together, it would not make so much difference, but they do not. It is easy to see why the price of certain raw products will go up rather rapidly while wages will change less quickly. The price of wheat or of hogs can make extreme changes within a very few days while changes in wages are usually brought about by pressure either from the standpoint of the laborers or the employers.

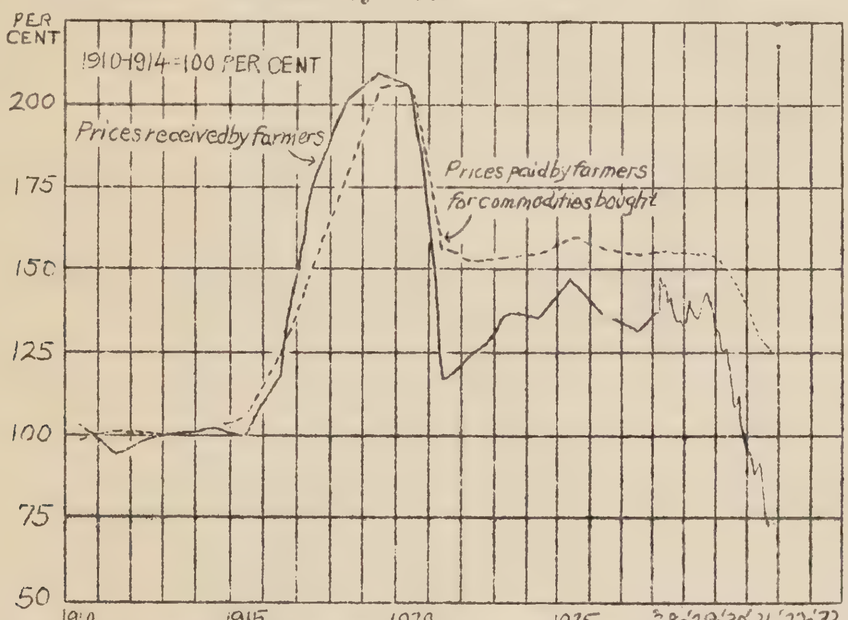

Fig. 2.- Prices received by farmers for products sold and prices paid by farmers for commodities bought. (Index numbers - 1910-1914 = 100)

This chart (Fig.2) shows that during the war period when prices were advancing quite rapidly, the prices which we received for farm products went up more rapidly than the prices paid for the things we bought. The rise in prices of farm products was the chief reason why farming was so profitable during the World War period. Most of us tend to feel that farmers were prosperous from 1915 to 1920 because prices were high, but this prosperity was due largely to the fact that prices of our products were high in relation to the prices we paid for other things. Also because we bought feed and fertilizer one year and sold the products from them the next year, when prices were higher. That was one of the chief reasons why land values were so extremely high.

If there were a line on this chart representing wages, we would find that wages went up rather slowly during the war period and then, when they did get up, they remained high after other prices started down. Following 1920, when, as shown on the first chart (Fig. 1), the general price level dropped, farm products which went up first, also came down first. The prices of the things we bought came down some, but not so much as the prices of farm products. The difference between these two lines on the chart represents the agricultural depression about which we have talked so much. It is the relation between the price of our products and the price of the things we buy. During all of the period since 1921 farm product prices have been relatively low, and, as a result, farming has not been profitable. During the period from 1915 to 1920 when wages were relatively low and farm products relatively high, almost every paper had some statements in it about the high cost of living. This was because food prices were relatively high, and industrial wages relatively low. Since 1920 we have not heard much about the high cost of living, but we have talked about the agricultural depression. In the one period we talked about the poor laboring man, and in this latter period we have talked about the poor farmer. It is interesting to note that during the last 10 years whenever there was a little rise in the price of things farmers buy, there was a large rise in the price of farm products. When there was a little drop in the price of things farmers buy, there was a large drop in the price of things farmers sold. Farm-product prices are affected more quickly. The average for the year 1930 showed that the index of farm-product prices was 117 compared with 138 the previous year. This drop was over 15 percent, while the price of things farmers buy declined only about 5 percent. This is an average for the year 1930. If we should bring these charts up to the present time (September, 1931) we would find that farm-product prices are down to 72. In fact if they go much lower, they will run clear off of the chart. The index of the prices paid for things bought shows that these prices have also declined rapidly and were 13 percent lower in September than they were a year ago, but not so low as farm products. Farm-product prices in September, 1931, averaged about 35 percent lower than a year previously. Usually the more rapid the decline, the greater the spread between the prices of the products we sell and the prices we pay. Of course, no one knows where we are going from here. It is always very dangerous to make a statement about what is going to happen in the next year or two and you all realize that no one knows. So many things can happen which are not known at the present time that most predictions are uncertain. I wonder though if we cannot safely say one thing about prices in the future, that the price of farm products will not decline as much during the next 18 months as they declined during the last 18 months. At least we can agree on that.

Wages lag.

Freight rates high

Most commodities which we buy require a great deal of labor. The chief item of cost between a raw product and a finished product is wages. Most of the difference between wheat and cream of wheat is labor, and with factory wages relatively high, the commodities which require a large amount of labor will tend to remain high. Freight rates are due largely to wages, either in building the cars, building the roadbeds, mining the steel, operating the trains, or maintaining the offices. Wages are adjusted more slowly in periods of price changes, but I do not believe the blame can be placed on any individuals or groups. It is due to the nature of the industry in which we happen to be engaged that the prices of our products react to price changes more rapidly than do prices in certain other industries.

Now, what has been the reason for this rapid decline in the price of our farm products in the last two years? If I should ask every individual here for the reason for the present drop in prices, I presume we could sum up most of the answers in about two statements - overproduction or underconsumption. Let us spend just a few minutes in discussing what we mean by overproduction. I imagine if I asked you what you mean by overproduction, we would get a big variety of answers. It is interesting to note that our production of wheat in the United States per capita during the last few years has not been so great as it was 10 or 12 years ago, when we got a much higher price than at the present time. Also the amount of pork produced per capita in the United States during the last 2 years is not so great as it was 10 or 12 years ago, when hogs sold for around $20 a hundred. Then just what do we mean by overproduction? Some one has said that we have an overproduction whenever we have so much that we can't sell it for as much as we would like to get for it. Production has increased in certain foreign countries, and of course there have been some definite reasons why this has taken place. In order to discuss this situation it is necessary to mention the tariff. A few years ago a person hardly dared to mention the tariff unless he happened to be a Republican or a Democrat, I forget which, but at the present time the tariff is largely out of politics. I am wondering if the tariff helps the price of our farm products? Yes, it does if we are importing. But how about if if we are exporting? This is a fundamental which everyone should know regardless of his political views. The tariff will ordinarily help prices provided we are not producing as much in this country as we need. On the other hand, if we have a surplus and must export a certain amount to other countries, we can't expect the tariff to help prices very much. This is a fundamental which everyone familiar with the objectives of a tariff recognizes. There are about three products in this country which we normally export in rather large quantities. I wonder what they are? Pork, wheat, and cotton. We have more of these three commodities than we need in this country and the price is quite dependent on the foreign situation and foreign trade.

Over-production and under-consumption.

I wonder if the general decline in prices which we are having in this country is taking place in any other country of the world? Yes, it is quite world-wide. This chart (Fig. 3) shows the general price level in the United States and the combined price level of eight foreign countries which buy most of our agricultural exports. You will see that prices have been

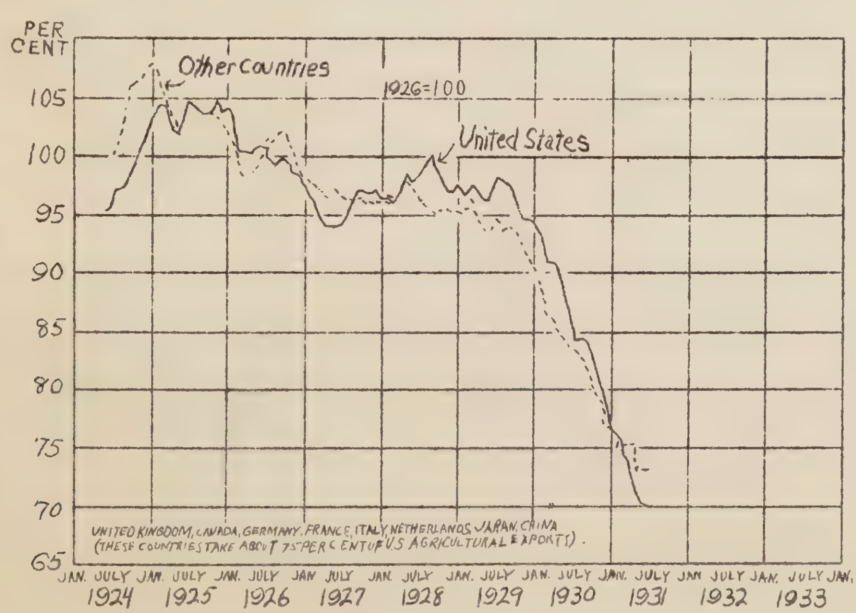

Figure 3. - General price level in the U.S. and abroad. (Index No. - 1926 = 100)
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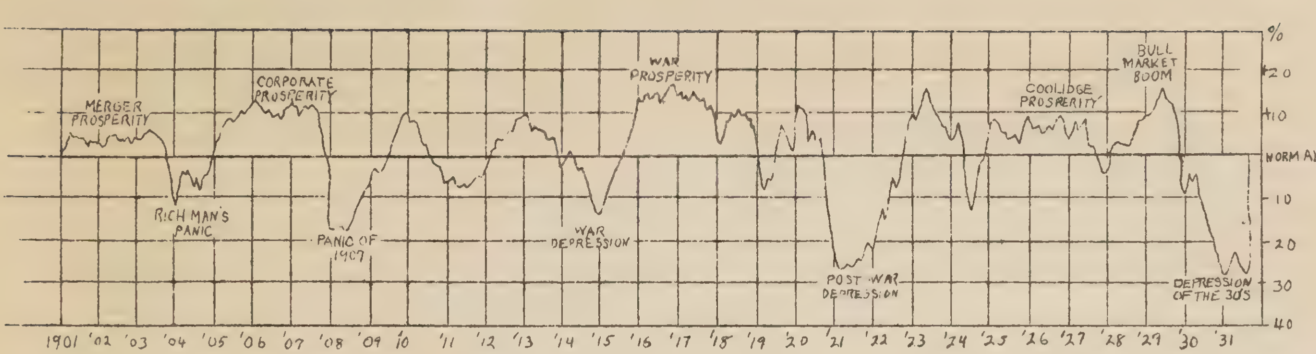
declining in foreign countries at just about the same rate as they have declined here. If prices are coming down in these other countries, I wonder if they are having an agricultural depression? Yes, farm products are usually among the first to decline, whether they are German, French, or American.

If we take wheat as an example, we have normally exported around one-fourth of our wheat crop from this country. The countries other than Great Britain which formerly bought the largest amount of wheat are Italy, France, and Germany. Now remember that these countries have not been producing as much wheat as they need, and as a result they have been importing. If you were Mussolini in Italy, or the President of France or Germany, and wanted to help the price of wheat for your farmers who are in distress, how would you go about it? Surely, you would put on a tariff, and naturally the people of these countries realize that situation just as we do. Rather drastic changes in the tariff have been made by some of these countries during the last few years. For example: Italy allowed wheat to come into their country free until 1925. Then it put a tariff of 39 cents per bushel on wheat. This tariff was increased to 57 cents, then to 73 cents, and has now been increased to 87 cents. What does that mean to our market for wheat in Italy? France had a tariff of 8 cents per bushel on wheat until 1927. Since that time the tariff has been increased to 19 cents, 26 cents, 37 cents, 53 cents, 85 cents, and it is 97 cents per bushel at the present time. The increase in tariff increases the price of wheat in these importing countries, cuts down their consumption, and tends to increase production at home. Germany allowed wheat to come in free until September 1, 1925. Since that time it has increased the tariff seven or eight times, until at present it is $1.62 per bushel. Naturally, all this has had an influence on the quantity of wheat which we have been able to export, and is part of the explanation for what we call overproduction in this country. Before the World War we owed many of these foreign countries large amounts of money, and with the principal and interest which we paid them, they were naturally able to buy more from other countries than they sold. We have had a favorable balance of trade much of the time for many years, which has meant that we have been selling more than we have been buying. Some other countries could buy more than they sold provided they were getting money from loans or certain other sources. Since the war, the situation has been turned around, and now many of these countries are in debt to us. Unquestionably part of the policy of these countries has been due to their desire to produce wheat and other products at home rather than to buy from foreign countries.

So much for the overproduction or surplus. If we talk about under-consumption at the present time, I presume we will say that the chief reason is the business depression. We know that there are thousands of people out of work at the present time in all sections of the country. When they are not getting any wages, they naturally are not buying so much or they must buy at a lower price. I presume that many of us have said in regard to our present business depression, and in regard to our prices, that conditions like these never existed before. I have a chart compiled by Mr. Ayers of the Cleveland Trust Company which shows the periods of business prosperity and business depression for the last 140 years. The first part of this chart



American industrial activity, since 1790, compiled by Leonard P. Ayres for the Cleveland Trust Company's Business Bulletin.

shows the period from 1790 up to the Civil War, and when this black part of the chart is above the central line, it means that business conditions are above normal. When it is below the line, it shows how much below normal business activity really is. The other half of the chart shows these business cycles since the Civil War up until the present time. The large black part at the end of the chart is our present business depression and you can see the improvement we had a few months ago and then our recent decline. As we look back over this entire period we see that we have had a great many business depressions and periods of prosperity during the last 100 years. However, the most recent ones are a little more extreme than they were some years ago. Someone has said that we are getting bigger and better depressions than we used to have. If we consider the business depressions of the last 20 years we find that none of them has lasted longer than about 24 months. However, the one we are experiencing at the present time has already existed at least that long, and we are not yet back to close to normal. We are always apt to think about present conditions as being worse than ever before, and possibly that is true for some people, but it is worth while for us to realize that the history of American business has been a series of periods of prosperity and then periods of depression. When business is good there is a great tendency for overexpansion and then when business is bad, pessimism soon prevails. Many people have made a comparison between the present business depression and some of the others, and there seems to be some similarity. Immediately after the Civil War we had a business depression, and then came about 8 years of rather good industrial prosperity, with only a few minor depressions. Then, 10 years after the Civil War was over, we entered into a long business depression which lasted about 5 years. Immediately after our recent war, we had the business depression of 1921, then came a prolonged period of about 8 years of industrial prosperity with only a few minor slumps until we entered into the present depression. That does not necessarily indicate that this depression is going to last 5 years, as certain conditions which we shall not have time to discuss are considerably different to-day from conditions at those times. The long depression in the seventies as well as the rather prolonged depression of about 100 years ago, came after war periods, when the price level was declining very rapidly as it has been doing during the last 2 years. Do not confuse this chart of business activity with prices. Changes in business do not necessarily mean changes in the price level, but of course such changes are one of the influential factors.

What Can We Do on Our Own Farms to Meet the Present Situation?

The extreme drop in prices of farm products, and the relatively poor position of these prices compared with those of other commodities, present a real problem for farmers in an attempt to keep our cash receipts above expenses. When we take a glimpse at the cities, and see the number of people out of work, and when you realize the number that have probably come back to your own community to live with "Dad" after losing the job in town, we realize that farmers are not in as bad a condition as many of the people in the cities. However, the task of meeting the payment of taxes, interest, and other necessary expenses, becomes very difficult. In order to meet this situation one of two things becomes necessary, either to increase the receipts, or to decrease the expenses.

How best to meet the present situation on your own farm becomes your own individual problem, since no two farms are alike. Whether or not you can increase your dairy receipts, your poultry receipts, or those from any other enterprise, depends upon your own buildings, equipment, type of land, labor supply, and other factors. The same can be said in the matter of reducing expenses. However, there are certain definite principles which in general apply to most farms and which are good business at present. There are certain expenses over which our farm operations have little influence such as our interest on capital, taxes, or meeting some of the "easy payments" which we started a few years ago. There are certain other expenses such as feed, labor, fertilizer, or the amount spent for the family living which are at least partially under our control. The following is a list of some of the general characteristics of a period of declining prices which we have discussed and some of the things which farmers as individuals can do to meet them.

1. Prices falling:
   a. Care should be exercised in making long-time investments.
   b. Debts should be arranged in the best way possible to avoid being called at a critical time.

2. Items which farmers buy relatively high in relation to the price of farm products:
   a. More living can be produced on the farms.
   b. Certain products can be graded and made more nearly ready for the consumer.
   c. Under certain conditions more products can be sold at retail.
   d. Attain greater efficiency of production.
   e. Cull unprofitable livestock.
   f. Avoid unnecessary expenditures.

3. Wages remain high:
   a. The farm business can often be adjusted to the family labor supply or the hired help may be used at productive labor throughout the year.
   b. Attain greater efficiency in the use of labor, use less labor per unit of production.
   c. Do more special work, such as repairs, by using farm labor.

4. Freight rates high:
   a. Market as much feed through livestock as possible.
   b. Produce protein feeds at home.
   c. Produce high quality products.
   d. Take better care of manure.
   e. Produce more condensed products if far from market.

5. Taxes, interest, and overhead expenses high:
   a. Enough business must be done on the farm to meet these necessary cash payments.
   b. Get more production per animal or per acre.
   c. Use care in selection of home-grown seed.
   d. Do not fail to spend a dollar if it will bring more than that amount in return.
   e. Keep a farm-account record.
   f. Avoid jumping from one product to another.
   g. Study and plan your business more than ever before.

The present is no time for a decrease in the efficiency of our farming operations. It is entirely possible to reduce our farm activities to fit our own labor supply rather than to hire extra help, but it is also very important that we farm intensively enogh so that we shall take in enough money to meet our necessary expenses. The most efficient farmer is the one who will win. Efficiency is much more important than it was 15 years ago when most farmers were prosperous regardless of how efficient they were. The things which we can do ourselves, on our own farms, are among the greatest helps to us at this time in meeting the situation in the best possible way.

The following figures show how farmers on 40 typical Ohio farms who have been keeping records and studying their businesses have attempted to meet the situation during the last three years.

Changes in volume of business:
1. More cows kept, 4½ Per cent.
2. More ewes kept, 8 Per cent.
3. Less sows kept, 4 Per cent.
4. More hens kept, 8 Per cent.

Changes in efficiency:
1. More pigs raised from fewer sows, 21 Per cent.
2. More lambs raised from 4 per cent more ewes, 18 Per cent.
3. More area farmed with less hired labor, 4 per cent.

Changes in cash expenditures.
1. Overhead expenses including taxes, rent, insurance, repairs, etc., $19 less per farm.
2. Feed bought, $69 less per farm.
3. Lime and fertilizer bought, $21 less per farm.
4. Livestock purchased, $420 less per farm.
5. Hired labor, $20 less per farm.
6. Fuel and oil, $16 less per farm.

These men have done the very things we have been talking about. They are getting more production per unit with less cash expenses. Possibly we can all make some adjustments of this kind to meet the present situation.
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